

This contract is dated, made, and entered into as of the 15th day of December, 2014, by the **City of Durham** ("City"), a N. C. municipal corporation, and **Professional Mail Services, Inc.** ("Contractor")

Sec. 1. Background and Purpose. This is a service contract to provide Printing and Mailing Services. The documents which are attached to this contract are a part of this Contract. The estimated sum to be paid by the City under this contract for the initial period is two million, three hundred seventeen thousand, eight hundred twenty six dollars and twenty five cents. (\$2,317,826.25).

These documents are the **Service Proposal, and EEO Provisions**. In case of conflict, this "Service Contract" form shall control those documents.

Sec. 2. Services and Scope to be Performed. Presumption that Duty is Contractor's

The Contractor shall comply with the provisions of this Contract and shall do all the work and furnish all of the materials and labor necessary to perform its obligations under this contract. In this contract, "Work" means the services that the Contractor is required to perform pursuant to this contract and all of the Contractor's duties to the City that arise out of this contract. Unless the context requires otherwise, if this contract states that a task is to be performed or that a duty is owed, it shall be presumed that the task or duty is the obligation of the Contractor.

Workmanship and Quality of Services

All work performed under this Contract shall be performed in a workmanlike and professional manner, to the reasonable satisfaction of the City, and shall conform to all prevailing industry and professional standards.

The Contractor shall perform for the City of Durham the following described services:

Services as defined in Exhibit A in the attached Statement of Work No. 001.

Services as defined in Exhibit B in the attached Statement of Work No. 002.

Sec. 3. Reserved

Sec. 4. Complete Work without Extra Cost

Except to the extent otherwise specifically stated in this contract, the Contractor shall obtain and provide, without additional cost to the City, all labor, materials, equipment, transportation, facilities, services, permits, and licenses necessary to perform the Work.

Sec. 5. Contractor's Billings to City. Compensation

The Contractor shall send invoices to the City on a weekly basis for the amounts to be paid pursuant to this contract. Each invoice shall document, to the reasonable satisfaction of the City: such information as may be reasonably requested by the City. Within twenty days after the City receives an invoice, the City shall send the Contractor a check in payment for all undisputed amounts contained in the invoice.

The City shall pay the Contractor for the Work as follows: The City shall not be obligated to pay the Contractor any payments, fees, expenses, or compensation other than those authorized by this section.

Sec. 6. Prompt Payment to Subcontractors

(a) Within 7 days of receipt by the Contractor of each payment from the City under this contract, the Contractor shall pay all Subcontractors (which term includes subconsultants and suppliers) based on work completed or service provided under the subcontract. Should any payment to the Subcontractor be delayed by more than 7 days after receipt of payment by the Contractor from the City under this contract, the Contractor shall pay the Subcontractor interest, beginning on the 8th day, at the rate of 1% per month or fraction thereof on such unpaid balance as may be due. By appropriate litigation, Subcontractors shall have the right to enforce this subsection (a) directly against the Contractor, but not against the City of Durham.

(b) If the individual assigned to administer this contract for the City (in this section, titled "Prompt Payment to Subcontractors," he or she will be referred to as the "Project Manager") determines that it is appropriate to enforce subsection (a) in this manner, the City may withhold from progress or final payments to the Contractor the sums estimated by the Project Manager to be

(i) the amount of interest due to the Subcontractor under subsection (a), and/or

(ii) the amounts past-due under subsection (a) to the Subcontractor but not exceeding 5% of the payment(s) due from the City to the Contractor.

This subsection (b) does not limit any other rights to withhold payments that the City may have.

(c) Nothing in this section (titled "Prompt Payment to Subcontractors") shall prevent the Contractor at the time of invoicing, application, and certification to the City from withholding invoicing, application, and certification to the City for payment to the Subcontractor for unsatisfactory job progress; defective goods, services, or construction not remedied; disputed work; third-party claims filed or reasonable evidence that such a claim will be filed; failure of the subcontractor to make timely payments for labor, equipment, and materials; damage to the Contractor or another subcontractor; reasonable evidence that the subcontract cannot be completed for the unpaid balance of the subcontract sum; or a reasonable amount for retainage not to exceed 10%.

(d) The Project Manager may require, as a prerequisite to making progress or final payments, that the Contractor provide statements from any Subcontractors designated by the Project Manager regarding the status of their accounts with the Contractor. The statements shall be in such format as the Project Manager reasonably requires, including notarization if so specified.

Sec. 7. Insurance – Contractor agrees to maintain, on a primary basis and at its sole expense, at all times during the life of this Contract the following applicable coverage's and limits. The requirements contained herein, as well as City's review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Contractor under this Contract.

Commercial General Liability – Combined single limit of no less than \$1,000,000 each occurrence and \$2,000,000 aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations, Contractual Liability or Cross Liability.

Automobile Liability – Limits of no less than \$1,000,000 Combined Single Limit. Coverage shall include liability for Owned, Non-Owned and Hired automobiles. In the event Contractor does not own automobiles, Contractor agrees to maintain coverage for Hired and Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Auto Liability policy. Automobile coverage is only necessary if vehicles are used in the provision of services under this Contract and/or are brought on a City of Durham site.

Worker's Compensation & Employers Liability – Contractor agrees to maintain Worker's Compensation Insurance in accordance with North Carolina General Statute Chapter 97 and with Employer Liability limits of no less than \$1,000,000 each accident, each employee and policy limit. This policy must include a Waiver of Subrogation.

Professional Liability – Contractor agrees to maintain Professional Liability Insurance with limits no less than \$1,000,000 per occurrence, covering claims arising out of professional architect, engineers and surveyors services performed in connection with this contract.

Environmental/Pollution – Contractor agrees to maintain Environmental/Pollution Liability Insurance with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate, covering claims arising out of the use or application of chemicals/herbicides as well as the negligent release of hazardous materials. Coverage may also be satisfied by endorsement to the Commercial General Liability policy with minimum limits of \$1,000,000/\$2,000,000.

Additional Insured – Contractor agrees to endorse the City as an Additional Insured on the Commercial General Liability. The Additional Insured shall read 'City of Durham as its interest may appear'.

Certificate of Insurance – Contractor agrees to provide City of Durham a Certificate of Insurance evidencing that all coverage's, limits and endorsements required herein are maintained and in full force and effect, and Certificates of Insurance shall provide a minimum thirty (30) day endeavor to notify, when available, by Contractor's insurer. If Contractor receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives notice that coverage no longer complies with the insurance requirements herein, Contractor agrees to notify the City within five (5) business days with a copy of the non-renewal or cancellation notice, or written specifics as to which coverage is no longer in compliance. The Certificate Holder address should read:

City of Durham
Attn: Finance Department
101 City Hall Plaza - Annex
Durham, NC 27701

Umbrella or Excess Liability – Contractor may satisfy the minimum liability limits required above under an Umbrella or Excess Liability policy. There is no minimum Per Occurrence limit of liability under the Umbrella or Excess Liability, however, the Annual Aggregate limits shall not be less than the highest 'Each Occurrence' limit for required policies. Contractor agrees to endorse City of Durham as an 'Additional Insured' on the Umbrella or Excess Liability, unless the Certificate of Insurance states the Umbrella or Excess Liability provides coverage on a 'Follow-Form' basis.

All insurance companies must be authorized to do business in North Carolina and be acceptable to the City of Durham's Risk Manager.

Sec. 8. Performance of Work by City of Durham

If the Contractor fails to perform the Work in accordance with the schedule referred to in section 1 above, the City may, in its discretion, in order to bring the project closer to the schedule, perform or cause to be performed some or all of the Work, and doing so shall not waive any of the City's rights and remedies. Before doing so, the City shall give the Contractor notice of its intention. The Contractor shall reimburse the City for additional costs incurred by the City in exercising its right to perform or cause to be performed some or all of the Work pursuant to this section.

Sec. 9. Exhibits

The following exhibits are made a part of this contract: Exhibit A and Exhibit B.

In case of conflict between an exhibit and the text of this contract excluding the exhibit, the text of this contract shall control.

Sec. 10. Notice

(a) All notices and other communications required or permitted by this contract shall be in writing and shall be given either by personal delivery, fax, UPS, Federal Express, or certified United States mail, return receipt requested, addressed as follows:

The parties are requested to send a copy by email.

To the City:

Finance Department

Attn: Sue Sandhoff

City of Durham

101 City Hall Plaza-Annex

Durham, NC 27701-3329

The fax number is (919) 560-4325.

Email: sue.sandhoff@durhamnc.gov

To the Contractor:

Professional Mail Services, Inc.

Attn: Paul Hamilton Sr.

3500-D TriCenter Blvd.

Durham, NC 27713

The fax number is (919)354-8888

Email: phamilton@mailpros.com

(b) Change of Address. Date Notice Deemed Given. A change of address, fax number, or person to receive notice may be made by either party by notice given to the other party. Any notice or other communication under this contract shall be deemed given and sent at the time of actual delivery, if it is personally delivered or sent by fax. If the notice or other communication is sent by United States mail, it shall be deemed given upon the third calendar day following the day on which such notice or other communication is deposited with the United States Postal Service or upon actual delivery, whichever first occurs.

Sec. 11. Indemnification

(a) To the maximum extent allowed by law, the Contractor shall defend, indemnify, and save harmless Indemnitees from and against all Charges that arise in any manner from, in connection with, or out of this contract as a result of acts or omissions of the Contractor or subcontractors or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. In performing its duties under this subsection "a," the Contractor shall at its sole expense defend Indemnitees with legal counsel reasonably acceptable to City. (b) Definitions. As used in subsections "a" above and "c" below -- "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements, and expenses (included without limitation within "Charges" are (1) interest and reasonable attorneys' fees assessed as part of any such item, and (2) amounts for alleged violations of sedimentation pollution, erosion control, pollution, or other environmental laws, regulations, ordinances, rules, or orders -- including but not limited to any such alleged violation that arises out of the handling, transportation, deposit, or delivery of the items that are the subject of this contract). "Indemnitees" means City and its officers, officials, independent contractors, agents, and employees,

excluding the Contractor. (c) Other Provisions Separate. Nothing in this section shall affect any warranties in favor of the City that are otherwise provided in or arise out of this contract. This section is in addition to and shall be construed separately from any other indemnification provisions that may be in this contract. (d) Survival. This section shall remain in force despite termination of this contract (whether by expiration of the term or otherwise) and termination of the services of the Contractor under this contract. (e) Limitations of the Contractor's Obligation. If this section is in, or is in connection with, a contract relative to the design, planning, construction, alteration, repair or maintenance of a building, structure, highway, road, appurtenance or appliance, including moving, demolition and excavating connected therewith, then subsection "a" above shall not require the Contractor to indemnify or hold harmless Indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence, in whole or in part, of Indemnitees.

Sec. 12. E-Verify Compliance

The contractor represents and covenants that the contractor and its subcontractors comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (NCGS). In this E-Verify Compliance section, "contractor," "its subcontractors," and "comply" shall have the meanings intended by NCGS 160A-20.1(b). The City is relying on this section in entering into this contract. The parties agree to this section only to the extent authorized by law. If this section is held to be unenforceable or invalid in whole or in part, it shall be deemed amended to the extent necessary to make this contract comply with NCGS 160A-20.1(b).

Sec. 13. Miscellaneous

(a) Choice of Law and Forum; Service of Process. (i) This contract shall be deemed made in Durham County, North Carolina. This contract shall be governed by and construed in accordance with the law of North Carolina. The exclusive forum and venue for all actions arising out of this contract shall be the North Carolina General Court of Justice, in Durham County. Such actions shall neither be commenced in nor removed to federal court. This subsection (a) shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this subsection. (ii) If the Contractor is not a natural person (for instance, the Contractor is a corporation or limited liability company), this subsection (ii) applies. "Agent for Service of Process" means every person now or hereafter appointed by the Contractor to be served or to accept service of process in any State of the United States. Without excluding any other method of service authorized by law, the Contractor agrees that every Agent for Service of Process is designated as its non-exclusive agent for service of process, summons, and complaint. The Contractor will instruct each Agent for Service of Process that after such agent receives the process, summons, or complaint, such agent shall promptly send it to the Contractor. This subsection (ii) does not apply while the Contractor maintains a registered agent in North Carolina with the office of the N. C. Secretary of State and such registered agent can be found with due diligence at the registered office.

(b) Waiver. No action or failure to act by the City shall constitute a waiver of any of its rights or remedies that arise out of this contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

(c) Performance of Government Functions. Nothing contained in this contract shall be deemed or construed so as to in any way estop, limit, or impair the City from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

(d) Severability. If any provision of this contract shall be unenforceable, the remainder of this contract shall be enforceable to the extent permitted by law.

(e) Assignment. Successors and Assigns. Without the City's written consent, the Contractor shall not assign (which includes to delegate) any of its rights (including the right to payment) or duties that arise out of this contract. The City Manager may consent to an assignment without action by the City Council. Unless the City otherwise agrees in writing, the Contractor and all assignees shall be subject to all of the City's defenses and shall be liable for all of the Contractor's duties that arise out of this contract and all of the City's claims that arise out of this contract. Without granting the Contractor the right to assign, it is agreed that the duties of the Contractor that arise out of this contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.

(f) Compliance with Law. In performing all of the Work, the Contractor shall comply with all applicable law.

(g) Notice of City Policy. THE CITY OPPOSES DISCRIMINATION ON THE BASIS OF RACE AND SEX AND URGES ALL OF ITS CONTRACTORS TO PROVIDE A FAIR OPPORTUNITY FOR MINORITIES AND WOMEN TO PARTICIPATE IN THEIR WORK FORCE AND AS SUBCONTRACTORS AND VENDORS UNDER CITY CONTRACTS.

(h) EEO Provisions. During the performance of this Contract the Contractor agrees as follows: (1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. The Contractor shall take affirmative action to insure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth these EEO provisions. (2) The Contractor shall in all solicitations or advertisement for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. (3) The Contractor shall send a copy of the EEO provisions to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding. (4) In the event of the Contractor's noncompliance with these EEO provisions, the City may cancel, terminate, or suspend this contract, in whole or in part, and the City may declare the Contractor ineligible for further City contracts. (5) Unless exempted by the City Council of the City of Durham, the Contractor shall include these EEO provisions in every purchase order for goods to be used in performing this contract and in every subcontract related to this contract so that these EEO provisions will be binding upon such subcontractors and vendors.

(i) SDBE. The Contractor shall comply with all applicable provisions of Article III of Chapter 18 of the Durham City Code (Equal Business Opportunities Ordinance), as amended from time to time. The failure of the Contractor to comply with that article shall be a material breach of contract which may result in the rescission or termination of this contract and/or other appropriate remedies in accordance with the provisions of that article, this contract, and State law. The Participation Plan submitted in accordance with that article is binding on the Contractor. Section 18-59(f) of that article provides, in part, "If the City Manager determines that the Contractor has failed to comply with the provisions of the Contract, the City Manager shall notify the Contractor in writing of the deficiencies. The Contractor shall have 14 days, or such time as specified in the Contract, to cure the deficiencies or establish that there are no deficiencies." It is stipulated and agreed that those two quoted sentences apply only to the Contractor's alleged violations of its obligations under Article III of Chapter 18 and not to the Contractor's alleged violations of other obligations.

(j) No Third Party Rights Created. This contract is intended for the benefit of the City and the Contractor and not any other person.

(k) Principles of Interpretation and Definitions. (1) The singular includes the plural and the plural the singular. The pronouns “it” and “its” include the masculine and feminine. References to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation. References to contracts and agreements shall be deemed to include all amendments to them. The words “include,” “including,” etc. mean include, including, etc. without limitation. (2) References to a “Section” or “section” shall mean a section of this contract. (3) “Contract” and “Agreement,” whether or not capitalized, refer to this instrument. (4) “Duties” includes obligations. (5) The word “person” includes natural persons, firms, companies, associations, partnerships, trusts, corporations, governmental agencies and units, and other legal entities. (6) The word “shall” is mandatory. (7) The word “day” means calendar day. (8) The word “Work” is defined in Section 2. (9) A definition in this contract will not apply to the extent the context requires otherwise.

(l) Modifications. Entire Agreement. A modification of this contract is not valid unless signed by both parties and otherwise in accordance with requirements of law. Further, a modification is not enforceable against the City unless it is signed by the City Manager, a deputy or assistant City Manager, or, in limited circumstances, a City department director. This contract contains the entire agreement between the parties pertaining to the subject matter of this contract. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed or implied, between the parties, other than as set forth or referenced in this contract.

(m) City’s Manager’s Authority. To the extent, if any, the City has the power to suspend or terminate this contract or the Contractor’s services under this contract, that power may be exercised by City Manager or a deputy or assistant City Manager without City Council action.

Sec. 14. Termination for Convenience (“TFC”)

(a) *Procedure.* Without limiting any party’s right to terminate for breach, the parties agree that the City may, without cause, and in its discretion, terminate this contract for convenience by giving the Contractor written notice that refers to this section. TFC shall be effective at the time indicated in the notice. (b) *Obligations.* Upon TFC, all obligations that are still executory on both sides are discharged except that any right based on prior breach or performance survives, and the indemnification provisions and the section of this contract titled Trade Secrets and Confidentiality, if any, shall remain in force. At the time of TFC or as soon afterwards as is practical, the Contractor shall give the City all Work, including partly completed Work. In case of TFC, the Contractor shall follow the City’s instructions as to which subcontracts to terminate. (c) *Payment.* The City shall pay the Contractor an equitable amount for the costs and charges that accrue because of the City’s decisions with respect to the subcontracts, but excluding profit for the Contractor. Within 20 days after TFC, the City shall pay the Contractor one hundred dollars as a TFC fee and shall pay the Contractor for all Work performed except to the extent previously paid for. Work shall be paid for in accordance with the method (unit prices, hourly fees, etc.) to be used for payment had the Work been completed except to the extent it would be inequitable to either party, and if Work was to be paid for on a lump-sum basis, the City shall pay the part of the lump sum that reflects the percentage of completion attained for that Work. The Contractor shall not be entitled to any payment because of TFC except as stated in this section, whether on the basis of overhead, profit, damages, other economic loss, or otherwise.

Sec. 15. Trade Secrets; Confidentiality

The request for proposals (RFP) section titled “Trade Secrets and Confidentiality” shall apply to any Trade Secrets disclosed to the City during the process leading to the parties’ entering into this Contract (including all of the Contractor’s responses to the RFP). This section (titled “Trade Secrets;

Confidentiality”) shall remain in force despite termination of this contract (whether by expiration of the term or otherwise) and termination of the services of the Contractor under this contract. For purposes of this contract, the word “candidate” in the RFP section just cited shall mean the “Contractor.”

IN WITNESS WHEREOF, the City and the Contractor have caused this contract to be executed under seal themselves or by their respective duly authorized agents or officers.

ONBASE CONTRACTING NO: _____

CONTRACT NAME: _____

The following electronic signatures are required for authorization of final ink pen signatures for hard-copy original contracts:

ATTEST: CITY OF DURHAM

_____ By: _____

preaudit certificate, if applicable _____

IF SELLER IS NOT A CORPORATION

Notary Public

Type or print name of Seller

(See instruction 3(b) on reverse.) Affix notarial seal.
My commission expires:

by: _____ (Seal)
Signature

.....

IF SELLER IS A CORPORATION

ATTEST:

Corporate Secretary

Type or print the correct name of corporation

(Affix Corporate seal)

by: _____
President or Vice President

.....

**Independent PMSI Service Agreement
Statement of Work Form**

STATEMENT OF WORK No. 001 – CITY OF DURHAM

This Statement of Work No. 001 is issued pursuant to the Independent PMSI Services Agreement (CONTRACT FOR SERVICES) dated December 15, 2014 (the “Agreement”) between Professional Mail Services, Inc., (“PMSI”), and the City of Durham (“City of Durham”).

Scope of Services – Print/Mail Services

The Contractor shall perform for the City the following described services:

Contractor shall perform bill/document printing, insertion, address validation, mail processing, digital hosting and retrieval of monthly utility bills and related customer correspondence. Specific scope of work include:

- Manage and convert encrypted, secure raw billing data using bill processing software to actually calculate and align the data in the current bill presentment format for an average of 10,000+ bills each day with no minimum required and 100% accuracy
- Use DOC1 bill print extract format which has been customized by the City and provide assistance upon request
- Ability to remap bill and letter extract file format upon future upgrades to billing system
- Utilize unique and complex DOC1/CC&B data mapping for customized bill and letter presentment
- Incorporate complex business rules to accurately calculate and print bills and letters including business defined delimiters within individually mapped fields
- Manage dynamic bill verbiage with no errors
- Guarantee of same-day service to mail distribution with City electronic approval by 9 am.
- Create OCR scan lines on payment remittance portion of bills and letters that meet specifications required by City and remittance processing institution
- Provide multiple stable, redundant test databases ensuring immediate turn around on City development requirements (mirror functionality of production)
- Provide on-demand test bills within 24 hours that can be sent to the City and remittance processing institution
- Provide and manage City-approved printing and mailing materials
- Provide onsite United States Postal Service DMU (detached mail unit) where postal personnel work onsite to receive SCF (Sectional Center Facility) acceptance
- Provide multiple MCLOCR's (Multiline Optical Character Readers) giving the City favorable USPS presort discount rates
- Provide online PDF samples before processing to allow the City to verify accuracy and make adjustments with online job tracking via vendor hosted site (must have specified on-line approval process available to City to review and approve bill and letter files)
- Provide the ability to pull both specific bills and specific letters from bill and letter files being processed by vendor before processing is complete at the City's request

- Provide secure storage/services for systematic retrieval of up to 18 months of archived customer utility bills and correspondence (available in PDF) which is accessed through the City's billing system CC&B and Web Self Service WSS applications
- Provide automated email notifications to City of files received, errored and processed individually upon completion
- Store on-site multiple City-furnished printed informational inserts to include in specific area utility bills when requested
- Capability to identify within bulk files, design and print inserts at the City's or merger town's request and bill independently
- Support multiple letter file formats (DOC1, city custom designed)
- Perform address validation per USPS and send address corrections delineated in Excel automatically to City daily upon completion
- Must be a licensed USPS NCOALink (National Change of Address) contractor to ensure conformity to the USPS 'move/update requirements' necessary to enter mail at favorable discounted rates
- Utilize SOA (Service-Oriented Architecture) methodology
- Expertise and flexibility to make simple format changes within three business days and more complex design changes within mutually agreed upon project schedule and scope
- All services must be provided in-house and under vendor's total control (no contracting of any portion)
- Capability to incorporate and print unique Bill ID on each bill and letter
- Guarantee of minimum postage rates
- Print multi-page utility bills in multiple colors
- Include specific messages on individual bills based on account status or other City business rules
- Include or exclude information to be printed based on City business rules (example: print meter block information only once when water and sewer services in extract file)
- Accommodate City of Durham holiday schedule
- Manage postage account balance that City pays in advance
- Provide weekly detail of postage used and notification to City of replenishment need
- Provide itemized weekly invoices showing number of bills and letters by type
- Availability to be on-site within 24 hours for technical meetings
- Must have emergency contingency plan for plant operations
- Must provide offsite redundant data storage capability
- Must provide unit testing results for all development and implementation effort
- Ability to demonstrate secure handling of personal identifying information

Time of Performance

In performing the services described in this Contract, it is mutually agreed that time is of the essence. The Contractor shall begin work immediately, and work shall be completed each business day until the contract end date.

In the event the services under the Contract are not completed by this date, the Contractor shall be assessed liquidated damages of (0) zero for each day's delay beyond the completion date. If liquidated damages are not applicable to this Contract, insert '(0) zero' in the space above.

Compensation; Time of Payment

For services to be performed hereunder, the City shall pay the Contractor a per piece price below not to exceed \$544,456.22 per fiscal year or the total four-year contract price of \$1,905,597.03. The standard City of Durham payment term is NET 30 days from the date of invoice. **For prompt payment you may email all invoices to (accountspayable@durhamnc.gov) or mail all invoices to the City of Durham, Accounts Payable, 101 City Hall Plaza – Annex, Durham, NC 27701. All invoices must include the following Purchase Order Number _____.** Invoices submitted without the correct purchase order number will result in delayed payment.

ITEM	Price	UOM	Note/Comment
Price per bill:	\$0.1067	per bill	per SOW - Includes duplex printing, single window #10 with return address printed in black, and a single window #9 return envelope. PMSI does not charge for #9 return envelopes excluded on bank draft customers. Therefore, there is a cost savings of \$.0165 per bill that doesn't receive a #9 return envelope.
Other Correspondence:	\$0.1067	per bill	per SOW, <i>with return envelope</i> - Includes duplex printing, single window #10 with return address printed in black, and a single window #9 return envelope.
Other Correspondence:	\$0.0902	per bill	per SOW, <i>without return envelope</i> - Includes duplex printing and single window #10 with return address printed in black.
Proposed Hosting, Archiving per bill:	\$0.0090	per bill	per SOW
Proposed Hosting, Archiving per Other Correspondence:	\$0.0090	per bill	per SOW
Price per Hour Development:	\$75.0000	per hour	
Price, Associated Test Environments:	\$25.0000	per file	for manually testing when the City requests that changes be made by PMSI.
Other Charges:	\$0.0020	per insert per envelope	Price per insert beyond the bill pages and #9 return envelope.

Service Fee Adjustments

Service fee adjustments will take effect on July 1st of each calendar year, or for postage rate increases imposed by the United States Postal Service, upon adoption by the USPS. Any service fee adjustment proposal must be presented in writing by either party not less than 90 days and not more than 120 days prior to the proposed implementation date. Any service fee adjustment must be approved in writing by both parties. Increase adjustments to Service Fees shall not exceed 3% in any given contract year.

Independent PMSI Service Agreement
Statement of Work Form

STATEMENT OF WORK No. 002 – CITY OF DURHAM

This Statement of Work No. 002 is issued pursuant to the Independent PMSI Services Agreement (CONTRACT FOR SERVICES) dated December 15, 2014 (the “Agreement”) between Professional Mail Services, Inc., (“PMSI”), and the City of Durham (“City of Durham”).

Scope of Services – Mailing Services - USPS Mail

The Contractor shall perform for the City the following described services:

The services to be rendered by PMSI to the City of Durham is the picking up of the City of Durham outgoing mail, the weighing and metering of that outgoing mail the automated sorting of that outgoing mail in order to qualify for favorable postage rates and the delivery of that outgoing mail to USPS.

Job Description: PMSI will pick up 1,000 to 1,500 pieces of un-posted mail volume generated by the City of Durham at 101 City Hall Plaza at 10:30 AM and again at 3:30 PM. This mail will include letter size mail, flat size mail, certified mail and parcels. The mail will be transported to the PMSI operation center located at 3500-D TriCenter Blvd, Durham, NC 2713. The mail will be weighed and metered with the appropriate postage utilizing computerized volume and postage tracking. PMSI will make every effort to meter all mail qualifying for the Postal presort program at the favorable presort rates offered by the United States Postal Service. PMSI will moderate the intention to meter mail at the presort rates with the understanding that the City of Durham requires that all City of Durham mail must be entered at the USPS facility on the same day that it is picked up by PMSI. This requirement will take precedence over presort should a conflict arise. Mail volume picked up at 10:30 AM that meets the proper Postal requirements will be injected into the presort stream and processed at the 5-digit presort.

Specific PMSI job functions and service fees will be as follows:

Each Monday through Friday:

- Pick up the City of Durham outgoing mail at 10:30 AM and 3:30 PM
 - Weigh and meter all City of Durham outgoing mail (at PMSI)
 - Deliver outgoing mail to the Raleigh SCF BMEU
- on the same day that the mail is picked up

Total Monthly Fee	\$2,830.00
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- Sort eligible outgoing mail on automated sorting equipment (at PMSI)

Per qualified piece	\$0.018
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If the fees for sorting (\$0.018 per qualified piece of mail) are to exceed ten thousand dollars (\$10,000) in any contract year the parties agree to execute an amendment which increases the monetary threshold.

FFMUN Fee (Distribution of USPS Move Update data from FASTforward)	\$20.00 per month
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(This fee will only be charged if there is FFMUN activity during a given month)

Gas Surcharge – PMSI at its discretion, may initiate a gas surcharge fee up to 3% of the daily service fees if the cost of regular gas exceeds \$3.95 per gallon. This surcharge will only apply when gas exceeds this price per gallon. Total amounts due for the gas surcharge shall not exceed \$1,000 during any contract year.

Direct mail projects involving mail assembly and or data processing and manipulation are not included in this fee structure and must be quoted on a per job basis.

Service Fee Adjustments

Service fee adjustments will take effect on July 1st of each calendar year, or for postage rate increases imposed by the United States Postal Service, upon adoption by the USPS. Any service fee adjustment proposal must be presented in writing by either party not less than 90 days and not more than 120 days prior to the proposed implementation date. Any service fee adjustment must be approved in writing by both parties. Increase adjustments to Service Fees shall not exceed 3% in any given contract year.

Other Obligations

Volume Confirmation: PMSI will provide e-mail confirmation of prior day's transaction volume within two (2) business days.

PMSI will provide a monthly hard copy printout detailing the daily mail transactions by the City Department. The report will provide the number and type of mail. PMSI will provide weekly an EXCEL spreadsheet of the daily mail count by department.

Change of Address Listing: PMSI will provide the City of Durham with electronic, United States Postal Service (USPS) generated Move Update change of address listings as they are made available by the USPS. This data will consist of FASTforward Move Update Notification (FFMUN) data specific to the City of Durham that is provided by the USPS, downloaded by PMSI and electronically distributed to the City of Durham. All FFMUN data is controlled by the USPS and made available by the USPS. The FFMUN change of address data will be provided to the City of Durham in the data format made available by the USPS. The USPS may change the data format or the Move Update program from time to time at the discretion of the USPS. FASTforward and Move Update are programs developed and controlled by the United States Postal Service.

Invoicing: PMSI will provide weekly job-coded electronic invoicing for all direct mail projects. This will consist of a scanned copy of the City of Durham weekly invoice. The scanned copy will be emailed to the City of Durham.

Special Projects: The monthly service fee includes the processing of the City of Durham's normal daily mailroom volume on normal automated weighting, sealing, and metering equipment. It does not include processing Special Projects that involve high volumes or special handling. Special Projects may involve complicated processing and require more processing time. Additional service fees may apply.

Special Mail Materials: The monthly service fee includes the processing of the City of Durham's normal daily mailroom volume on normal automated weighting, sealing, and metering equipment. It does not include processing Special Mail Materials that require time consuming special handling such as, but not limited to, clasp seal envelopes "pull the tab and seal" envelopes, if there's no room for the meter mark (like a small postcard), too thick to run through the machinery, too rigid to run through the

machinery (like a DVD), too slick to run through the machinery (like a glossy finish that the machine cannot grab and pull). Additional service fees may apply when processing Special Mail Materials.

Material Responsibility: PMSI accepts the custodial responsibility for all of the City of Durham mail materials at the time they are received from the City of Durham, whether delivered to PMSI or picked up by PMSI. It is agreed that the custodial responsibility of PMSI for the City of Durham's mail materials shall be terminated upon the depositing of the materials with the United States Postal Service, a common carrier, a delivery service, any person, any organization, or any company when instructed to do so by the City of Durham.

Insurance: PMSI will provide reconstruction insurance against loss for the City of Durham's mail while it is in the possession of PMSI.

Postal Holidays: PMSI will modify the agreed to service schedule when necessary to conform to Postal and City of Durham holidays and requirements.

Entry of Mail: PMSI will enter all mailings at the Durham, North Carolina Sectional Center Facility of the United States Postal Service on the same day of receipt by PMSI (excludes weekends and holidays), unless other mail entry arrangements are agreed to between PMSI and the City of Durham.

Postage Responsibility: The City of Durham is responsible for providing PMSI with all postage money prior to the processing of any mailing materials for any given project. In the event that the United States Postal Service determines that additional postage deposits are required after or during the entry of any given mailing or mail piece, the City of Durham will be responsible for providing any additional postage money required. PMSI may advance some postage money in conjunction with providing presort services for the City of Durham in order to facilitate the entry of presorted mail at its various qualification levels or for mail that PMSI attempts to presort but ultimately does not meet the USPS presort requirements and therefore requires additional postage. The City of Durham will promptly reimburse PMSI for any postage advances. Any postage estimates provided by PMSI are intended as guidelines only. Only the United States Postal Service can provide exact postage cost figures. All postage costs are based on the rules and regulations of the United States Service with the Postal Service representing the final authority of rule interpretation and postage determination.

Compensation; Time of Payment

For services to be performed hereunder, the City shall pay the Contractor a per piece price not to exceed \$114,722.74 per fiscal year or the total four-year contract price of \$412,229.22. The standard City of Durham payment term is NET 30 days from the date of invoice. **For prompt payment you may email all invoices to (accountspayable@durhamnc.gov) or mail all invoices to the City of Durham, Accounts Payable, 101 City Hall Plaza – Annex, Durham, NC 27701. All invoices must include the following Purchase Order Number_____.** Invoices submitted without the correct purchase order number will result in delayed payment.